

Idaho Public Utilities Commission

Case No. PAC-E-14-01, Order No. 32979

February 27, 2014

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Rocky Mountain Power proposes decrease to annual energy cost adjustment

Rocky Mountain Power's eastern Idaho customers may be getting electric rate reductions of between 2 and 3 percent effective April 1 if state regulators approve the utility's annual Energy Cost Adjustment Mechanism (ECAM) application.

The Energy Cost Adjustment, which appears as a separate line-item on customer bills, includes variable expenses, such as fuel costs and prices for purchased power, that are not already included in base rates. When those variable expenses are greater than the company anticipated, customers get a one year surcharge. If those expenses are less than anticipated, customers get a one year credit.

This year the company is proposing an ECAM account of \$13.2 million, \$2.8 million less than the amount currently collected. For residential customers, the proposed decrease is 1.9 percent and for residential customers on Time of Day rates, the proposed decrease is 2.3 percent. Small commercial customers would realize a 2.2 percent reduction while the decrease for large commercial would be 2.6 percent and irrigation, 2.4 percent.

Rocky Mountain's largest Idaho customers – Monsanto and Agrium – are paying a combined amortization from three ECAM periods, resulting in proposed increases of 1.7 percent and 2.1 percent respectively.

If the Idaho Public Utilities Commission approves the company's application, the Energy Cost Adjustment would decrease from the current 0.569 cents per kilowatt-hour to 0.348 cents per kWh.

This is the third consecutive year the ECAM is either no change or a decrease for all customers except Monsanto and Agrium. In 2011, the ECAM was a 5.8 percent increase and in 2010, the first year the mechanism was in place, the increase was 1.3 percent.

The commission is taking comments through March 20. Comments are accepted via e-mail by accessing the commission's homepage at www.puc.idaho.gov and clicking on "Open Cases," under the "Electric" heading. Fill in the case number (PAC-E-14-01) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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